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MONEY

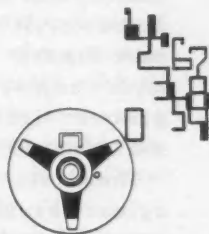
JULY 1960

BUSINESS

REVIEW

How Banking Tames Its Paper Tiger—Part III

Resort Business Looks Promising



FEDERAL RESERVE BANK OF PHILADELPHIA

HOW BANKING TAMES ITS PAPER TIGER

Part III

This article is the last in a series on bank mechanization.

Here we discuss

CAUSES, EFFECTS, AND CONCLUSIONS.

From the court house across the street, the two banks look like twins. They have the same stone-gray complexion, the same Corinthian capitals, the same kind of polished brass nameplates.

But under the skin the two banks are far from sisters. Although they are now about the same size, one has increased its deposits much faster than the other in the past ten years. This faster-growing bank has a greater percentage of its assets in loans, particularly to consumers. It has relatively more checking accounts, fewer savings accounts. It has more branches and more employees, greater income and higher expenses.

These are imaginary banks of course, but their characteristics did not come out of thin air. The differences between the two are those we found to be associated with differences in mechanization.

STATISTICAL FOOTWORK

In February and March we surveyed Third District member banks about mechanization. The poll had three main purposes: first, to find out what kind of machinery banks had and how they used it; second, to explore bankers' plans and opinions regarding certain phases of mechanization. These tabulations were published in last month's *Business Review*. The third objective was to shed some light on the causes and effects of mechanization.

To do this, we first had to measure the degree of mechanization in each bank. Mechanization is a slithery concept and there is no standard way to gauge it. We chose a method which was appropriate to the relatively simple information available from the survey.

The questionnaires showed how the banks handled thirteen basic banking operations so



we rated each operation according to the equipment used. From these ratings we developed an over-all mechanization score for each bank. We then broke down the banks in each size group into categories A through D according to their mechanization score.

The next step was to compare the degree of mechanization as shown by the four categories with other operating data taken from condition and earnings reports. Statisticians have ways of measuring the strength of a correlation between two sets of variables. We used a maneuver called "Kendall's coefficient of rank correlation" named after M. G. Kendall, an eminent English statistician. This told us with some validity the amount of correlation between our mechanization measure and the many variables we selected.¹

Our procedure gave each operation equal weight but obviously each operation is not equally important. It proved impossible to weight properly each operation, however. Instead we gave special treatment to demand deposit accounting—far and away the biggest clerical job in most banks. We ran separate correlations between the mechanization ratings for special and regular checking accounts and a number of other data.

HAND IN HAND WITH MECHANIZATION

Some of the items we put under the statistical glass proved to be rather closely correlated with mechanization; others showed a weaker but still identifiable relationship. More than half of the ratios, however, showed no correlation. This lat-

ter group proved interesting because it included some items which one might expect to be related to mechanization.

We found that the following factors were correlated with over-all mechanization.

<i>Branches</i>	The more branches a bank has, the more mechanized it is likely to be.
<i>Growth</i>	Banks which show greater increases in deposits (1950 to 1959) tend to be more mechanized.
<i>Loans</i>	Higher ratios of loans to total assets, earnings on loans to total earnings, and consumer loans to total loans are associated with the more mechanized banks.
<i>Deposits</i>	A mix heavy in demand deposits, light in savings deposits goes with a high degree of mechanization.
<i>Earnings</i>	The higher a bank's ratio of total (gross) earnings to total assets, the more mechanized it is likely to be.
<i>Expenses</i>	Total expenses as a percentage of total assets and "other current expenses"—the category which includes machinery costs—as a percentage of total earnings are generally higher in the more mechanized banks.
<i>Employees</i>	Banks with more employees tend to be more mechanized.

The strongest correlations with mechanization were shown by branches, growth, the ratio of loans to total assets, and the number of employees. The items listed in the opposite footnote, but not mentioned above, did not appear to be strongly related to mechanization.

The correlations with demand deposit mechanization alone were somewhat inconclusive, due

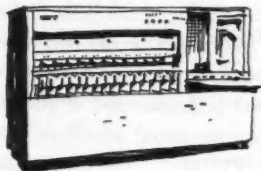
¹ The ratios of: loans to total assets, consumer loans to total loans, real-estate loans to total loans, U.S. Government securities to total assets, time deposits to total deposits, capital accounts to total assets, capital accounts to total deposits, total earnings to total assets, net current earnings (before taxes) to total assets, net current earnings (before taxes) to capital accounts, earnings on loans to total earnings, trust department earnings to total earnings, total expenses to total earnings, total current expenses to total assets, salaries and wages to total earnings, other current expenses to total earnings, profits (before taxes) to capital accounts, net profits (after taxes) to total assets, net profits (after taxes) to capital accounts. The percentage increase in deposits, 1950-1959. The number of branches per bank. The number of employees per bank.

perhaps to more limited differences in mechanization within size groups. In general, however, these findings tended to substantiate the over-all correlations, particularly in the smaller size groups.

A pattern emerges

The type of business a bank does seems to be related to the amount of mechanization it has. Banks that emphasize retail banking with its branches, consumer credit, and special checking accounts appear to be more mechanized than those that don't. This makes sense because retail banking generates large numbers of small, more or less standardized transactions which seem to breed mechanization.

Lending banks are usually more mechanized than investing banks—probably because it takes more clerical work to investigate borrowers and service loans than it does to clip bond coupons. Banks with a relatively large proportion of checking accounts seem to require more machinery than banks which have a high percentage of the less active savings accounts.



It is not surprising that the more mechanized banks have higher gross earnings. High earnings are a natural result of the way these banks operate. Loans earn more than investments; consumer loans, more than most other kinds. But these operations, as we pointed out, require more detailed processing. Expenses, therefore, also are likely to be higher.

Growth is a thread running through most of the other mechanization-related characteristics. The retail bank, the lending bank, the checking-account bank are likely to be the banks that have grown the fastest. Growth is also tied in with

branch banking. Many branches are acquired through mergers which give substantial, one-shot boosts to deposits.

Does it seem strange that the more mechanized banks have more employees? At first glance it did to us. After all, isn't mechanization supposed to reduce the number of workers needed? But after some thought the correlation between mechanization and employees fits into the pattern. It takes a lot of people to handle loans and checking accounts and to man branches. Banks which so specialize may have fewer employees than if they weren't so mechanized but they still need considerably more than the investing, time deposit, single-unit banks.

One of the major causes of mechanization is, we think, aggressive management. It is written between the statistical lines. Growth, branches, high loan ratios, etc., generally seem to signify aggressiveness.

We mentioned this idea to a number of equipment manufacturers and they agree. They say that, in their experience, management is a prime factor in mechanization. Aggressive, forward-looking management is most likely to make the necessary studies and to order the latest machinery available. We should point out, however, that we do not mean to imply that aggressive management is always good management. It all depends on the situation.

How about profits?

Notice that we did not mention anything about a correlation between mechanization and profits. We tested several profit ratios—both before and after taxes—and the results were inconclusive. True, the more mechanized banks had higher earnings but they were offset by higher expenses.

Why were we unable to find any relationship between profits and mechanization? To this

question there are many speculative answers.

It could be that some sort of correlation exists but our statistical procedures were not "fine-tuned" enough to pick it up. Probably we would have detected a strong relationship but a weak one might have slipped by. On the other hand, we can think of some good reasons not to expect a correlation between profits and mechanization.

Profits are, in effect, a distillation of everything a bank does. Earnings depend on loan and investment policies, interest rates, competition, myriad other things. Expenses also are influenced by many elements—interest paid, depreciation, wage scales, etc. So it is entirely possible that the effects on profits of any savings due to mechanization may be drowned in a sea of other variables.

Quite a number of bankers have told us that they actually do not expect savings from mechanization in the short run. They say they go in for it with the more distant future in mind. Mechanization to them is a matter of saving space, of just being able to conduct future operations in an existing building. They say mechanization means greater accuracy, better service to the customer, and better control through centralized accounting. All these are important objectives but their effect on profits may be hard to isolate.

It is entirely possible that some mechanization may actually reduce short-run profits. It costs a lot to install new machinery and get it operating smoothly. Computers are the best but not the only illustration. Detailed studies must be made, operators trained, complete systems changed, jobs programmed, and so on. It may be several years from the day the order is placed before a computer does any productive work. And even after an operation is on a computer, management also



may continue for a while to do it the old way—just to be sure. Then it may take several more years to get enough operations on the computer to use it at an efficient percentage of capacity. All the while the computer and its large staff of high-salaried personnel may be draining, not adding to, profits. Though their initial costs are nothing like those of a computer, electronic bookkeeping machines (tronic) and punched-card tabulating installations (tab) also require breaking-in periods.

Another consideration: we rated banks according to the type of machinery in use, not efficiency. It may be that some of the banks using less machinery are actually more efficient and therefore more profitable than the more mechanized banks. Systems, shifts, training, morale, and many other things besides machines enter into efficiency. We know of a case, for example, where a large bank considers two experienced girls with conventional bookkeeping machines to be more efficient than tab for their payroll work.

OBSERVATIONS AND OPINIONS

This section winds up our series on bank mechanization. It offers some conclusions based on our survey, supplementary interviews, and a study of mechanization literature.

A structural impact

Something as important as automation is bound to have an effect on the structure of the banking system. One might expect that automation would accelerate the trend toward consolidation and mergers. Large banks, it seems, should be able to automate much more than small banks, which should be a long-run competitive advantage. Furthermore, since automated equipment thrives on volume, large banks may become even more eager for growth via the merger route.

But, like as not, this structural effect of automation won't be so great, or come so soon, as many expect. It will be years before the majority of large banks are operating fully automated systems and maybe longer before they are achieving big reductions in costs. Moreover, even if automation does lead to lower costs, it is questionable how sensitive customers are to differences in bank charges. You can count on the bank with lower charges to let the public know about them, but will this offset habit, convenience, personal contacts, and all the other intangibles that go into the selection of "my bank"? It is likely that automation as a competitive weapon will prove more effective in the commercial field. Business customers usually place greater weight on rate differentials and the extra services that the large bank can perform with its complicated equipment.

Then don't forget that small banks may gain the advantages of automation by sharing the use and cost of the necessary machinery.

Joint automation

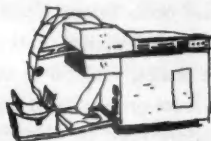
The cooperative use of automated equipment is one of banking's "hot" topics right now. The trade magazines write about it, seminars are held on it, bankers discuss it regularly and, according to our survey, one out of three favors it. The service bureau is the most popular method.

But so far there has been much talk and very little action. Only a handful of rudimentary ventures are operating in the entire country. Nor is the situation soon likely to change. Small banks seem to be waiting until the big banks have had more experience with automation—pioneering experience that will benefit the entire industry.

Initiative is another factor. Who is going to organize and push the cooperative venture? Small-bank executives could do it but those we

have talked to claim they have neither the knowledge nor the time. Many of them are looking to the equipment manufacturers to supply the necessary leadership. The manufacturers, however, seem to be concentrating at present on the large-bank market. Maybe state or county bankers' associations will be able to provide some initiative in the area of cooperative use.

In our survey, 23 per cent of the banks favoring cooperative use wanted to own and operate the machinery with a group of other banks. The mechanics of the idea haven't yet been fully thought out but one plan often mentioned is to set up a



nonprofit corporation to take title to the equipment and to provide equitable and impartial management. This may create a problem, however. Will it be legal for banks to own the stock of such a corporation? *Now it is possible to form a bank holding company.*

We believe that some type of cooperative use will become a vital force in bank operations. But it will not blossom until the large banks become considerably more automated than they are now. It's just a guess but we would say that cooperative use on a large scale is at least five years away.

Profits

Mechanization of the type existing today doesn't generate "fast-buck" profits—at least that is what our survey indicates. Nevertheless, mechanization, if properly used, should increase long-run profits by reducing unit operating costs.

Computers are new to Third District banking and so far they may have been an actual drain on profits. Computers, however, when fully shaken down and operating at or near capacity, should give their owners an important edge in

efficiency. A particularly important future use for banking's computers is providing better information for the solution of management problems—choosing the location of branches, determining the use of funds, making basic policy decisions, etc. This, when it comes, could have an important effect on profits.

Simply the process of getting ready for additional mechanization will increase operating efficiency in some banks. Intensive studies of existing procedures usually are made before important new equipment is ordered. Such studies often turn up many ways by which the old system can be improved, even without new machinery. We have been told that there is room for improvement in almost every system.

Behind those revolving doors

Increasing automation should bring changes in the internal organization of many banks. Data processing is commonly centered in one department which is likely to grow in importance and prestige—probably at the expense of other departments. Traditional departmental lines will tend to blur as computers and allied machines take over fully integrated operations.

Automation should accelerate the trend toward centralized accounting. Automated equipment often makes it desirable to process all branch transactions at some central spot—probably near but not in the central business district.

Shift work should increase. Electronic equipment is too expensive to stand idle 16 hours a day. More bankers, no doubt, will find themselves getting up to go to work as the sun goes down.

Many smaller banks do not have an operations officer or department. The job is an extra duty assigned to some other officer, if indeed it is formalized at all. This should change. More and more banks are realizing the importance of

proper systems and procedures and they are likely to delineate and elevate the operations function.

Automation should strengthen internal audit controls by separating completely the origination and processing of entries. The auditor's job, we understand, will be more to audit the entire system and less to check detailed masses of documents and figures. But vigilance will be no less essential. No system, automated or not, is so perfect that dishonest employees won't try to beat it. Just a few months ago the business press made much of the apprehension in New York City of one of the first automated embezzlers.

The new equipment that banks are buying will alter space requirements. Computers will eliminate bulky files and batteries of bookkeeping machines. Sorter-readers, little longer than a sofa, will take the place of rooms full of proof machines. Tronics require about half the space of the conventional bookkeeping machines they replace. Perhaps some of the space thus freed will be used to improve customer facilities—more tellers' windows and private offices for those who meet the public and hear confidential financial matters. Certainly in an expanding industry like banking, extra space won't go to waste.

what about embezzlers?

For the customer

Bank customers should benefit greatly from increased mechanization. They should get faster, cheaper, and more accurate service than they otherwise would. Mechanization also should widen the range of banking services available. It enables banks to offer new services heretofore impossible or impractical. Furthermore, mechanization may impel bankers to think up new service ideas. There is a basic economic reason.

Mechanization increases overhead costs and supposedly decreases variable costs such as labor. Increased overhead puts a premium on vol-

ume. Spread these costs over a greater volume of work and the average cost per unit declines.

Banks may find it hard to increase the volume of their regular services as much as they would like. They try but they often bump into a relatively limited demand and stiff competition from other banks in the area. So banks may innovate new services in order to get the increases in volume they seek. The preparation of accounting reports for small businesses is one of many such new services.

Thus, mechanization, by accentuating the need for volume, could intensify competition in existing services and stimulate the introduction of new ones—both to the advantage of the customer.

The causes of mechanization

The type of business a bank does is one of the prime causes of mechanization. Banks that emphasize services which generate a large number of repetitive, standardized transactions are likely to be the most automated in any size group.

The type of management a bank has is probably another important cause of mechanization. Aggressive management, looking for ways to provide better service, is more likely to upset the machinery status quo and try out new equipment even if there are risks involved.

Progress in measured steps

It has been said that banking has lagged behind other industries in automation. This may be true, but banking is now beginning to get into the act. Much new equipment has been delivered and much more is on order. Present plans call for an upsurge in big-bank automation in 1961 and 1962 when many new computers and sorter-

readers are due to be delivered. Smaller banks are achieving a measure of automation with trionics. Banks of all sizes are getting ready for new machinery by numbering their checking accounts. About a quarter of the banks in our survey had assigned account numbers.

Banking has made progress in imprinting routing symbol-transit numbers on checks in magnetic ink. Less than a year after the standardized type font was announced, 7 per cent of the member banks in the district—including most large ones—had started the job of imprinting. Many others expressed intentions of doing so. But there is still great room for improvement in this task so necessary to the banking system and the economy. About three-fourths of the banks in our survey had no imprinting plans.

The high cost of new electronic equipment means that mechanization in banking should proceed at a deliberate, orderly pace. This will lessen and delay the impact of mechanization and moderate the adjustments that must be made to it. Consolidation and cooperative use should come about gradually and in the long run. Employment dislocations should be minimized. Workers will be replaced gradually by machines and should be easily absorbed in other sections of the bank through turnover and growth in volume. Few, if any, bankers are expected to lose their jobs.

Banking may be a relatively late comer in automation, but this could turn out to be an advantage. The industry should be able to profit from the pioneers' experience. In the literature we have read one lesson stands out above all others: plan well and carefully in advance for new electronic machinery and don't underestimate the changes it will bring.

RESORT BUSINESS LOOKS PROMISING



With vacation time at hand, landlords and merchants in summer resort areas of the Philadelphia Federal Reserve District say they are looking forward to another ten weeks or so of big business. At this writing it's too early to tell just how big that business is going to be, because the spending pattern of vacationers will remain obscure until after the summer's first big week end—Independence Day. And, as always, there is that hard-to-predict factor so often referred to as "Old Man Weather." It must be remembered that he alone can make or break a resort season's business in these parts.

In talking with bankers and other businessmen in our most popular seashore and mountain resorts, we were impressed with the many expressions of optimism concerning this 1960 vacation season. Some appeared confident that resort

FOURTH-OF-JULY WEEK END

Summertime's first big week end—climaxed by Independence Day—seems to have brought a full measure of cheer to businessmen and bankers in our major resort areas. Under a sky full of sunshine, literally hordes of vacationers swarmed over highways and crowded into seashore and mountain resorts that soon were bulging at the seams. Parking facilities were at a premium and overnight accommodations were taken up about as fast as overworked desk clerks could handle the applicants.

From all accounts this crop of week-enders and the vacationers who came set to stay for a while were excellent spenders. They jammed the restaurants, made liberal purchases in gift shops, and patronized well the amusement facilities available to them. As early as Saturday night our resort people thought they were experiencing one of their near-record week ends; by Monday morning, they were sure of it. In local banks, week-end receipts quickly pushed deposits to year-ago levels and in some places even that record was exceeded by a convincing margin.

Another look at July and early August reservations seems to have convinced most landlords that the 1960 vacation season has all the earmarks of becoming a very good one. Included in the holiday week-end crowds were many soon-to-be vacationers who promptly reserved future space for themselves in hotel, motel, or guest house. Cottage rentals, too, received a "shot in the arm" that narrowed the choice for this type of accommodation over much of the period to Labor Day.

business would at least equal the very excellent volume experienced in 1959. Others, a bit more cautious, suggested that it might be a little hard to match last season's record, particularly since the current one started off at a somewhat slower pace on an unfavorable weather note.

Early-season weather was disappointing

It frequently happens in our area that the weather in May and even in the first half of June is too cool and too wet to encourage heavy travel to a favorite spot at the seashore or in the mountains. That was the pattern this year. And, unfortunately, it was the same dismal picture on repeated week ends, including the important Memorial Day period, when New Jersey shore resorts "unlock the ocean" and resorts in our Pennsylvania mountains celebrate their laurel festival.

Actually, it was not until mid-June that week-end crowds in our resort areas came even close to matching the near-record ones of a year ago. Moreover, plans for a 1960 summer vacation seemed to mature more slowly this year. The late start may well have been the result of no early heat wave, such as we had in June 1959, nor even a spell of muggy weather to act as a reminder that vacation time was so near.

Advance reservations now are a source of encouragement

Following a pronounced lag earlier this season, advance reservations picked up sharply about the middle of June. By the time schools closed, most resorts were reporting substantial bookings comparable to those of a year earlier. Proprietors of hotels and motels say they are in good shape for just about all of July and in some cases early August. Cottages and housekeeping apartments, which had seemed hard to rent in May and the

first half of June, are being taken up at a faster pace now. In some areas, however, these rentals don't quite measure up to year-ago levels. It looks like another good year for summer camps in the Pocono Mountains, including those for adults as well as children.

Length of stay has changed little lately

Reservation periods in recent years have seldom run for more than two weeks, except in cottages and housekeeping apartments, where three weeks to a month is fairly common. Before the war and in the early postwar years many vacationers were accustomed to reserving space for longer periods. To be sure, the "man of the house" seldom had more than a two-week vacation. But the rest of the family frequently vacationed for a month or the whole season. More liberal time allowances granted by employers in recent years have contributed to changing all this; so has the automobile, the superhighway, and the motel. Now, most families spend the entire vacation time together, making a shorter visit in one place, but visiting more places.

Resort seasons continue to stretch out

These longer vacations, sometimes involving trips to several places, and frequently divided into periods separated by some weeks, seem to be contributing to a gradual lengthening of what resort people call their "peak season." This trend also has been helped along by early- and late-season promotional events scheduled both at the seashore and in the mountains. In the early spring the Easter season "steals the show" at our shore resorts. But in the Pocono Mountains, the fall months have become increasingly popular particularly among newlyweds, with more and more

resorts catering exclusively to this honeymoon trade.

Some peak season rates are a little higher

Although rate advances on a broad front are not in prospect this year, resort people tell us that some hotels have made increases in line with rising costs for food and services. Other hotels and motels also are said to have made upward adjustments to cover added entertainment facilities like new swimming pools or existing pools enclosed for all-weather use. About the only area where we hear of rates coming under downward pressure is in the older guest house type of accommodation found in some of our shore resorts. Here, the new motels continue to offer competition that is hard to meet without some kind of rate adjustment.

Motels continue to bolster construction activity

Although motel building is definitely past the period of peak activity, it still accounts for a substantial volume of the new construction in our summer resorts. In some areas, cottage building also has contributed considerably to this season's building totals. More and more of the cottages being built at the seashore are intended for year-round use, in many cases by people who will be retiring shortly. Most of the summer bungalows built this spring seem to have been in the mountains, where they have been needed for some time by resorts desiring to expand their peak-season guest capacity.

Renovations and additions to existing buildings also have been on a fairly large scale this year. Many of the motels built only a few years ago have begun to add units, others are building swimming pools to put them in the same league

with the larger and more pretentious hotels. Expanded recreation space and redecorated dining rooms also have added much to the dollar totals spent on renovation work.

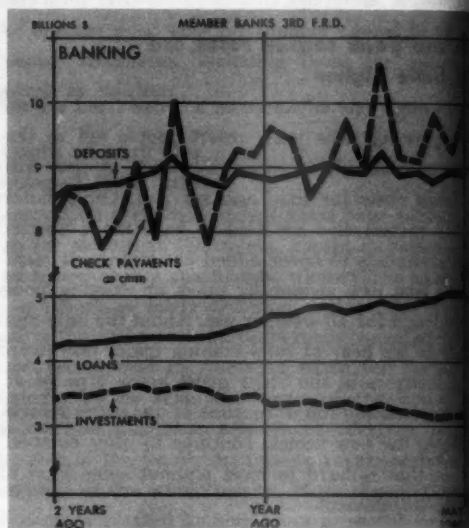
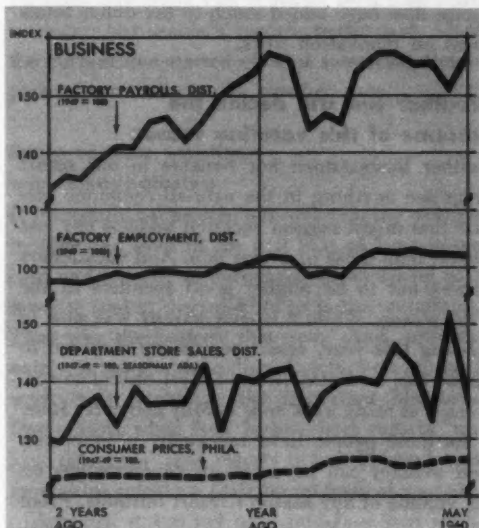
Weather can still decide the outcome of this vacation season

Neither businessmen nor bankers in our resort areas see anything in the over-all economic picture that might suggest vacation budgets any less liberal than those of a year ago. And vacationers turned out to be mighty good spenders in the 1959 season. While it is true activity was slow in starting this year, resort people are disposed to blame this tardiness on the almost unbroken succession of rainy week ends in May and early June.

As these people have repeatedly pointed out, foul weather can have serious repercussions on the volume of any season's resort business. From all accounts, July reservations seem to assure good through-the-week returns for that month. Week-end volume, however, could be another story, depending upon the kind of weather we have. The long-range forecast looks good in the temperature department, where meteorologists say we can expect a goodly share of 90° days. But their prediction of above-average rainfall is news that will make no one but the farmers happy. Our resort people have their fingers crossed against that kind of a moisture supply coming down on week ends.

The month of August could easily hold the key to this season's resort business. A "northeaster" or two is about the surest way of making a vacationer pack his bags and light out for home. On the other hand, a combination of excessive heat and humidity, so distasteful to anyone not on vacation, can nearly always be counted on to set the cash registers jingling merrily in all our resort areas.

FOR THE RECORD...



SUMMARY	Third Federal Reserve District				United States			
	Per cent change				Per cent change			
	May 1960 from		5 mos. 1960 from		May 1960 from		5 mos. 1960 from	
	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago
OUTPUT								
Manufacturing production...	+2	-1	+1	-1	+1	+5	-1	-7
Construction contracts...	-18	-7	-9	-1	-6	-7	-1	-7
Coal mining...	-3	-8	-2	-2	-3	0	-1	-3
EMPLOYMENT AND INCOME								
Factory employment (Total)...	0	+1	+3	0	+1	+3	0	+1
Factory wage income...	+3	+2	+4	...	...	...	...	...
TRADE*								
Department store sales...	-10	-4	+3	-8	-3	+3	+1	+6
Department store stocks...	+3	+3	...	+1	+6	...	...	...
BANKING (All member banks)								
Deposits	-1	+1	+1	-1	-1	-1	-1	-1
Loans	0	+11	+12	+1	+11	+12	+1	+11
Investments	+1	-8	-9	-1	-12	-13	-1	-13
U.S. Govt. securities...	0	-10	-11	-1	-14	-16	-1	-16
Other	+2	-2	-2	-1	-6	-4	-1	-6
Check payments	+7†	+8†	+7†	+3	+8	+7	+3	+8
PRICES								
Wholesale	0	+3†	+2†	0	0	0	0	0
Consumer	0†	+3†	+2†	0	+2	+2	0	+2

*Adjusted for seasonal variation.

†20 Cities

‡Philadelphia

LOCAL CHANGES

LOCAL CHANGES	Factory*				Department Store†				Check Payments	
	Employ- ment		Payrolls		Sales		Stocks			
	Per cent change May 1960 from		Per cent change May 1960 from		Per cent change May 1960 from		Per cent change May 1960 from		Per cent change May 1960 from	
	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago
Lehigh Valley	+ 1	+ 2	+ 5	+ 6	....	....	....	....	+ 1	+ 1
Harrisburg ...	- 1	- 1	- 1	- 1	....	....	....	....	+ 2	+ 1
Lancaster ...	- 1	0	+ 1	0	-27	- 3	0	+ 5	+ 1	+ 3
Philadelphia ...	0	+ 3	+ 2	+ 6	- 9	- 6	+ 3	+ 3	+10	+ 7
Reading	0	+ 2	+ 4	+ 4	-15	- 6	- 1	+ 6	+ 5	+11
Scranton	0	- 3	+ 7	+ 1	-11	- 6	+ 2	0	+ 8	+ 1
Trenton	- 1	+ 2	+ 4	+ 2	- 4	+ 1	- 4	+ 9	-14	+16
Wilkes-Barre ...	- 1	- 1	+ 6	+ 3	- 9	- 6	+ 1	+ 7	+ 6	+ 7
Wilmington ...	0	- 1	+ 6	+ 3	-12	- 6	0	+ 3	- 8	+22
York	- 1	+ 1	+ 3	+ 2	-17	- 7	+ 1	+ 2	+ 9	+ 1

*Not restricted to corporate limits of cities but covers areas of one or more counties.

†Adjusted for seasonal variation.

check
marks

con-
ange
1960
om

year
ago

+ 5

+ 1

+ 3

+ 7

+ 11

+ 1

+ 16

+ 7

+ 22

+ 8

one